

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

March 31, 2015

TO: Honorable Larry Taylor, Chair, Senate Committee on Education

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: **SB972** by Kolkhorst (Relating to training academies for public school teachers who provide reading comprehension instruction to students in grades four and five.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB972, As Introduced: a negative impact of (\$11,111,126) through the biennium ending August 31, 2017.

General Revenue-Related Funds, Five-Year Impact:

| Fiscal Year | Probable Net Positive/(Negative) Impact to General Revenue Related Funds |
|--------------------|---|
| 2016 | (\$7,020,252) |
| 2017 | (\$4,090,874) |
| 2018 | (\$4,171,069) |
| 2019 | (\$4,252,867) |
| 2020 | (\$4,336,302) |

All Funds, Five-Year Impact:

| Fiscal Year | Probable Savings/(Cost) from General Revenue Fund 1 |
|--------------------|--|
| 2016 | (\$7,020,252) |
| 2017 | (\$4,090,874) |
| 2018 | (\$4,171,069) |
| 2019 | (\$4,252,867) |
| 2020 | (\$4,336,302) |

Fiscal Analysis

The bill would require the Commissioner of Education to develop and offer reading-to-learn (RTL) academies for teachers who provide instruction for grades four or five. The bill would require the academies to include training in effective instructional practices that promote reading comprehension and inferential and critical thinking, and provide participating teachers online access to the RTL training materials following the academies.

The bill would require the Commissioner to adopt criteria for selecting teachers to attend the academies.

The bill would provide teachers attending the academies with a stipend. The bill would require the amount of the stipend, as determined by the Commissioner, to not be considered in determining the minimum salary for a teacher.

The bill would take effect September 1, 2015, or immediately if passed with the necessary voting margins.

Methodology

Providing reading-to-learn academies to teachers in the grades specified in the bill would result in a cost of \$7.0 million in fiscal year 2016 due to initial development costs, \$4.1 million in fiscal year 2017, and increasing to \$4.3 million in fiscal year 2020.

The Texas Education Agency (TEA) estimates the RTL academies would be three days long and would provide a \$125 stipend per day for each teacher that attended an academy. Based on information provided by TEA, the 2013-14 Public Education Information Management System (PEIMS) data indicated 41,932 full-time equivalent (FTE) teachers in grades four and five. This estimate assumes that 10,483 teachers (25 percent of the grade four and five teachers) would attend the academies in fiscal year 2016, increasing to 11,347 teachers in fiscal year 2020. Beginning in 2017, this estimate assumes the population of teachers would grow annually at approximately 2.0 percent based on a comparison of PEIMS FTE teacher data. The estimated annual cost of RTL academy stipends would be \$3.9 million (10,483 teachers x \$125/day x 3 days) in fiscal year 2016, increasing to \$4.3 million in fiscal year 2020 (11,347 teachers x \$125/day x 3 days).

Based on information provided by TEA, content development for the RTL academies would cost \$3.0 million, or \$1.5 million per grade level, in fiscal year 2016 to develop the academy content and provide online training materials for attendees.

Based on information provided by TEA, one FTE would be required to assist with the development and implementation of the RTL academies. The estimated cost of an FTE, including salary, benefits, and other operating expenses, would be \$89,136 in fiscal year 2016 and \$81,136 in subsequent years.

Local Government Impact

School districts would not incur additional costs in the form of contributions to the Teacher Retirement System (TRS) Trust Account for teachers attending the academies, since the stipend authorized by the bill is specifically to cover expenses of attending the academy and would not be considered creditable compensation. School districts may incur costs for substitute teachers while teachers attend the RTL academies. Costs could vary widely among districts.

Source Agencies: 323 Teacher Retirement System, 701 Central Education Agency

LBB Staff: UP, JBi, AM, AW, PFe